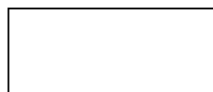


ER:

Please put in ER file. You will note this was not signed -- but handed to the President (privately).



STAT

MEMORANDUM FOR: [REDACTED] - O/DCI

STAT

Per your request.

Distribution made at Morning Meeting  
7/21/65: 1-DCI; 1-DDCI; 1-DDP; 1-D/ONE;  
1-C/VN Affairs Staff.

Copy sent to Mr. McGeorge Bundy same  
date, per DCI request.

[REDACTED]  
O/DDI

STAT

8/5/65

(DATE)

D R A F T

7/20/65

~~SECRET~~

*This handed to  
President (privately)  
copy to Mr. George Bundy  
no one else has seen*

Dear Mr. President:

It is clear that achievement of our military objectives in Vietnam -- a halting of DRV intervention and a reduction of the insurrection to manageable proportions -- would leave unsolved a number of broader problems in Southeast Asia. Even with the VC struggle tamped down or stopped, the construction of a viable government in South Vietnam will not be easy.

Reduction of the Communist threat may encourage the various religious and other factions to intensify competition and fighting among themselves. Here as in so many of the newly established nations the leadership elite seems far more aware of the privileges of independence than of its responsibilities. However, whereas in some parts of the world the skills of self-rule can be learned through the slow and painful process of trial and error, in Southeast Asia the proximity of a dynamic and aggressive Communist China, ever alert to exploit weaknesses and promote Communist subversion, tends to limit the room for error in such a learning process. It will take a fairly sophisticated government to counter skilled and persistent programs of Communist subversion, and such governments are not likely to spring full blown from the ashes of colonialism.

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Post-crisis Vietnam will need substantial U.S. economic aid to rehabilitate its battered economy; railroads, highway bridges, power stations, etc., will have to be rebuilt and much of the mechanism of commerce and government economic activity will have to be reactivated and extended. Such economic aid will be useless -- even harmful -- however, if local corruption causes it to become spoils for politicians to fight over and to increase the gap between the many poor and the wealthy few. Thus a continuing primary problem for the US will be the promotion of a reasonably responsible and effective government in South Vietnam in order to preserve the fruits of military success.

This would require the provision of advice and guidance, selective aid with effective controls, and perhaps some clandestine influencing of elections, governmental appointments, and policies. It will, of course, be necessary at the same time to help the development of smaller and highly professional armed forces. We would probably want them to provide strategic security while the police and local forces maintain security against the recurrence of Viet Cong type terrorism.

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Elsewhere in Southeast Asia there will be manifold other problems, all of them closely related to the viability of an independent South Vietnam. Indonesia is well embarked on a course that will make it a Communist nation in the reasonably near future unless the trend is reversed. Ethnic disputes threaten the disintegration of Malaysia. Burma is somewhat of a shell, with a very infirm domestic situation and an isolationist foreign policy all held together by the will of one man. Thailand is one of the brightest spots, where present domestic stability would presumably be reinforced by anti-Communist success in South Vietnam. Even here, however, economic problems loom large in the future, since the rising expectations of the people in the face of slow economic progress and conspicuous imbalances of wealth will provide receptivity to Communist blandishments.

In short, even if we are successful in our short-term aims in South Vietnam, Southeast Asia will continue to be plagued by suspicions and fears, political and economic problems, and various forms of Communist subversion.

While US economic aid, especially of the multi-national type such as the Mekong basin proposals, could be of

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considerable value in stabilizing the area, especially by increasing cooperation among the nations concerned, this is no panacea. No conceivable rate of economic progress can, by itself, wholly counter Communist claims that the poor of the area (who will remain many) would be much better off if "capitalist and imperialist exploitation" were replaced by an anti-imperialist people's regime. The radical promises of pie in the sky have found receptive audiences in nations whose people enjoy far more of the good things of life than the people of Southeast Asia are likely to enjoy for a long time to come.

In other words, we face a long-term strategic challenge in Southeast Asia, a nation-building and regional growth problem of fantastic proportions as well as of crucial importance to U.S. and Free World interests.

I call these rather obvious matters to your attention, Mr. President, because I believe it is not too early to focus on these long-term problems. I should like to suggest that you consider establishing at an early date a National Planning Task Force on

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Southeast Asia to study and report to you on the political and economic measures needed to consolidate the gains we hope to win by our efforts in South Vietnam.

---

W. F. RABORN  
Director

*(Not signed)*

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